canada/yukon economic development agreement

Achieving Success:

Community Economic Development Initiatives in Northern Communities

Community Economic Development
Booklet 4

Canada

Yukon
Government

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Additional booklets can be obtained from the DIAND Economic Development Directorate at (403) 667-3180, or from the Yukon Department of Economic Development: Mines and Small Business at (403) 667-5461 (Yukon residents outside Whitehorse can call 1-667-5955, toll free).

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Community Economic Development Initiatives in Northern Communities

Community Economic Development as it is practised today has been active in North America, Europe and Scandinavia for nearly three decades. Until recently, experience in northern Canada has emphasized the role and potential of community cooperatives. The first community cooperative in Canada's far northern regions was established in Fort George, Quebec, in 1959. Since then Canada's Arctic cooperatives have become famous around the world. There are now more than 50 active cooperatives involved in everything from selling fuel oil to distributing high quality carvings, prints and tapestries to art galleries and collectors.

More recently, northerners have begun to experiment with development corporations. The Alaska Native Claims Settlement, passed by the United States Congress in 1971, provided for the establishment of village and regional community development corporations throughout the state. Canadians have watched closely the resulting costs and benefits of that massive initiative. In increasing numbers, Canada's northern communities are establishing development corporations as vehicles for local job creation and for distributing fairly the benefits of land claims and oil, gas and mineral development.

Community Economic Development is being increasingly recognized as an appropriate strategy for the creation of new businesses and jobs, and for upgrading human skills. However, the full potential of Community Economic Development in small northern communities is not yet known. In both rural and urban areas in the South, Community Economic Development initiatives have successfully created jobs, businesses and improvements to community services. Some have even become self-sufficient and able to continue without government assistance. Success in northern communities, by contrast, has proven to be a more difficult task. In addition to the all of the challenges to successful development experienced in southern locations, northern communities must contend with limited access to resources, dramatic political and cultural changes and, in some areas, a population of which nearly half the people are under the age of 15.

Successful Community Economic Development in the North is dependent on the effective implementation of Community Economic Development principles. These include:

- maximum community participation,
- careful planning for projects and businesses,
- maximum community investment of local resources including volunteer time, use of equipment, facilities and money, and
- access to financial and technical support from the public sector.

The case studies which follow are examples of northernexperiences from which other northern communities can learn. Each project is recognized as an established success, or as having the potential to become successful. All of the examples have:

- created new jobs for community residents,
- developed businesses which are either community-owned or have been initiated by a Community Economic Development organization,
- assisted in the development of local skills,
- increased access and use of community, government and private resources, and
- contributed generally to the improved "wellness" of the local community.

The case studies also represent a variety of approaches suitable for northern locations and demonstrate various options available to Yukon communities.

Yukon Women's Mini-Bus Society: Whitehorse Transit

Project Type: Community Enterprise.

Location: Whitehorse, Yukon.

Background: In 1973, a group of women formed the Yukon Status of Women Council. One of the group's primary concerns was the lack of public transport. Whitehorse is the second largest city in Canada by area, with large tracts of undeveloped land isolating women with small babies, the elderly, the handicapped and people without cars from services in the downtown area.

Development Strategy: The Council formed the Yukon Women's Mini-Bus Society to research and develop a funding proposal. Initial development of the proposal was funded by the Company of Young Canadians.

Negotiations based on the proposal involved three levels of government. It was not until July 1975, nearly two full years later, that the federal Ministry of Transport agreed to provide capital funding — so long as the Yukon Government and the Whitehorse City Council would cost-share the operating deficit. In February of 1976, three buses began service.

The bus operation was flexible and innovative, providing full and part-time employment of a non-traditional nature to local women. All staff contributed to the development of routes and schedules. Drivers actively promoted ridership and worked to control operating costs. The manager's job was shared between two women. Members of the Society not only acted as a Board of Directors but provided volunteer labour as well. Changing tires, washing buses, and other minor maintenance and repair jobs were handled by volunteers, as were administrative tasks such as promotion, telephone answering and office management.

In 1977, an evaluation found the Society had created "an extremely successful transit operation" and recommended that City Council establish an independent Transit Commission to take over the service. In July of 1978, the Whitehorse Transit Commission assumed responsibility from the Society. Currently 10 buses are in operation covering more than 1,300 kilometres of fixed routes daily. In addition, special services for the elderly and handicapped are available. Local women make up 65% of the Commission's employees.

Strengths and Weaknesses: The Yukon Women's Mini-Bus Society developed a service that was critically needed, in a manner uniquely suited to local conditions. It also provided employment and skills training which would otherwise have been unavailable. Despite a high degree of local skepticism, and a mayor who was personally opposed to their proposal,

members of the Society were able to convince three levels of government to cooperate with them in developing a successful local bus system.

The Society was hampered, however, by its members' lack of experience with transit systems and dealing with government officials. None of the members were prepared for the long development time involved. In particular, it took many months before their proposal was taken seriously; and many more months of negotiating with three different bureaucracies before a bus could be put on the road. Learning to run the transit system — a challenge which was recognized from the beginning — proved the least difficult of the Society's major problems.

Resources: The success of the project was largely dependent on the commitment of the members and their supporters. Some development funding was provided by the Company of Young Canadians and start-up capital was provided by the federal Department of Transport. Subsequently, operating deficits were covered by the municipality of Whitehorse and the territorial government.

Women busdrivers, an uncommon sight in many municipalities, enjoy equal opportunity at the Whitehorse Transit Commission thanks to its origin with the Yukon Women's Mini-Bus Society.

Yukon Indian Arts and Crafts Cooperative Limited

Project Type: Community Cooperative.

Location: Whitehorse, serving producers throughout the Yukon.

Background: The cooperative was started in the early 1970's as a society under the *Yukon Societies Ordinance*, with funding from the National Indian Arts and Crafts Program. The initial, primary goal was the development of the arts and crafts sector throughout the territory. When this goal proved to be overly ambitious, the program was reorganized. The current cooperative is a central outlet for arts and crafts producers. The producers who have purchased shares are the legal owners of the enterprise and elect a Board of Directors every two years.

The original downtown outlet was abandoned and the cooperative is now located in a larger space in the former Bay store. The business plan is based on the sale of raw materials to craft producers, the marketing of the craft products made by members and the production of parka coats.

Current employment fluctuates seasonally between 25 and 45 full-time employees, who are primarily women. A training and management development program has assisted employees with the development of skills and work-sharing within the organization.

The cooperative's production activities focus on products which can be produced on a high volume basis. This has led to plans for the further expansion and modernization of the production facilities. The organization is also intending to increase its efforts to develop and promote arts and crafts, particularly traditional crafts, in surrounding communities.

Development Strategy: The cooperative serves as a source of supplies and a marketing outlet for local member producers. It also functions as a community enterprise, employing local residents to produce textile and craft products for local sale and export. The members of the cooperative, collectively, are the owners of the business and operate within the terms of the *Cooperatives Association Act* (Yukon). Through its activity as a viable and independent enterprise, the co-op provides income to local arts and crafts producers and employment to local residents. The primary operating goal of the cooperative is to maximize profit which can be used to assist members and the employees of the business.

Some Strengths and Limitations: The enterprise has skilled management and a long term development orientation. Products are well-suited to the Yukon tourist trade. The demand for northern, native arts and crafts is expected to increase if prices are stable. Cooperative legislation limits a cooperative's capacity to raise capital. The orientation to volume production may have a negative effect on product quality and business image.

Resources: The society started with, and continues to receive, funding from the Native Indian Arts and Crafts Program. The membership assists with the development and management of the enterprise. Although income from the business is viewed as the primary source of revenue, public funds will be used for expansion of activities when required.

The Yukon Indian Arts and Crafts Cooperative provides employment and training to local workers, as well as retail and marketing opportunities for producers throughout the territory.

Introduction

Achieving Success is Booklet 4 in a series of 4 booklets on Community Economic Development. These booklets have been prepared for Yukon communities under the Canada/Yukon Subsidiary Agreement on Economic Development Planning. Other titles in the series are:

Booklet 1
Finding Your Own Way: An Introduction to Community Economic Development for Yukon Communities
Booklet 2
Discovering Your Community's Opportunities and Resources
Booklet 3
Building a Community Economic Development Organization

This fourth booklet outlines six case studies of successful Community Economic Development projects in northern communities. Four examples are Canadian; two are taken from the experience of other countries.

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Mackenzie Delta Regional Development Corporation

Project Type: Community Development Corporation. Location: The delta communities of Aklavik, Arctic Red River, Fort McPherson and Inuvik.

Background: Four Dene communities in the MacKenzie Delta region, with a combined population of 2,000, have established village development corporations which collaborate with the Regional Corporation. As a community development corporation, the Regional Corporation is responsible for issues and tasks that individual corporations cannot manage. The participating Bands elect an eight-member Board of Directors who in turn appoint the Executive. The Regional Corporation was incorporated in 1982.

Development Strategy: The development strategy is based on the principle of combining the limited human and financial resources of several small communities. The Corporation attempts to establish a pool of investment capital to support local enterprise development. Corporation activities include local economic planning, land claims research, management training and support for local business development (particularly in the service and renewable resource sectors).

Since its inception, the Corporation has established a regional charter airline service; purchased 30% of Styles North, the owner of the Inuvik Parka Factory; and developed a decentralized approach to Band management training.

Some Strengths and Limitations: The community development corporation model has the potential to make effective use of the limited resources of member communities. A joint venture approach to business development enables the Corporation to share with other residents outside of the organization and to significantly increase available resources. However, the community development corporation is not able to consistently raise funds for investment. It operates in the shadows of a large competitor, COPE/IDC, which has a capital base of $10 million.

Resources: The Corporation's funding comes mostly from the federal government, with additional contributions from member communities.

Inuit Broadcasting Corporation - Inuit Communications Systems Limited

Project Type: Community Enterprise.

Location: The administrative centre of the enterprise is located in Ottawa, whileregional centres have been set up in several northern communities. The retail outlet for Inuit Communications Systems Ltd. is situated in Iqaluit (Frobisher Bay).

Background: The Inuit Broadcasting Corporation was established in 1981 for the purpose of developing Inuktitut television programming. Its creation was the direct result of Inuit lobbying and the influential role of John Amagoalik, an Inuit leader and member of the Therrien Committee. This committee was appointed by the Canadian Radio-television and Telecommunications Commission to investigate the extension of broadcasting services to northern and remote communities.

Inuit interest in local television was an outcome of several initiatives during the 1970's, including the National Film Board's film production workshops in Cape Dorset and Iqaluit, and the subsequent establishment of an Iqaluit-based film and video group and a community television service in Pond Inlet. In 1980, the Inuit Tapirisat of Canada, the national Inuit organization, accepted the responsibility to plan and secure the necessary public resources to launch a permanent Inuit television network — the Inuit Broadcasting Corporation. In 1985, the Corporation merged with the Iqaluit film and video group, and now serves approximately 20,000 Inuit in 40 communities throughout the central and eastern Arctic.

Like the Inuit Broadcasting Corporation, CHON-FM (radio) and NEDAA (television) in the Yukon receive funding from the Secretary of State's northern native broadcasting access program.

Inuit Communications Systems Ltd. is a wholly-owned subsidiary of the Corporation. The current business is a Sony products distribution franchise, serving professional and institutional markets throughout the Arctic. Plans are underway for the establishment of a video franchise outlet in Iqaluit. This service would rent video home movies and market TV's, VCR's and audio systems under dealership arrangements with Sony and Panasonic.

Development Strategy: The Inuit Broadcasting Corporation and its subsidiary, Inuit Communication Systems Ltd., function as community enterprises. The Inuit Broadcasting Corporation is a non-profit corporation and a registered charity. The Corporation is governed by a seven-member Board of Directors, appointed by regional Inuit organizations and local Inuit communications societies. Elected every three years, the president is the chief executive officer and chair of the Board.

The management and operations of the Corporation have been structured to suit the requirements of a decentralized membership. The management style, for instance, is informal and participatory. Regional managers have significant responsibilities which include control over budgets.

The Inuit Broadcasting Corporation, now a full-fledged broadcasting company, currently produces 3.5 hours of programming each week. It is also involved in co-productions with the National Film Board, CBC, and the national broadcasting service of Japan. Inuit Communication Systems Ltd. serves to save on equipment costs and generate revenue from the sale of professional and consumer equipment. Both organizations provide needed training and employment to Inuit in a "growth-industry". Further, they are important vehicles for the preservation and future development of Inuit culture.

Some Strengths and Limitations: The Inuit Broadcasting Corporation and its subsidiary are open democratic organizations and reflect the interests of the Inuit population. As a result, they are strongly supported by the community. They emphasize the importance of training and, although several non-Inuit people hold important positions, they are controlled and predominantly staffed by Inuit people.

Inuit Communications Systems Ltd. will eventually become a major source of revenue and a self-sustaining enterprise. Currently, the Inuit Broadcasting Corporation is dependent on extensive public support and therefore vulnerable to government policy changes. The small decentralized market of the Arctic is difficult and very expensive to serve.

Resources: As a public broadcasting service, the Corporation relies extensively on public grants and contributions from the federal government; specifically, the Secretary of State and the Canadian Employment and Immigration Commission. Internal revenues and funding from the Native Economic Development Program have been used to develop Inuit Communications Systems Ltd. Technical assistance has come from a variety of sources including the CBC, the National Film Board and private consultants.

Suomussalmi, Finland

Project Type: Community Economic Development Association.

Location: Suomussalmi is situated in northeast Finland, approximately 300 miles south of the Arctic Circle. It is a land of forests, small northern farms and 3,500 lakes, with an estimated population of 13,000.

Background: The region of Suomussalmi experienced serious economic decline particularly in forestry, fishing, agriculture and related service businesses. Emigration and the resulting drop in population during the 1970's became a serious concern to residents, who feared the collapse of the community.

A Village Action Committee, supported by a nation-wide community development program of the University of Tampere and the Finnish government, was established. The purpose of the Village Action Committee was to provide residents with an opportunity to discuss local problems and establish an action plan to resolve them. The work of the Committee stimulated a local fish farmer to write an article in the community newspaper. This article suggested a plan for community reorganization and for new development projects to create jobs while preserving the quality of the environment.

In collaboration with the University of Oulu — the university of the north — the planners and participating residents carried out research projects and education programs. They also started projects in business development and improved forestry practices, and took new initiatives in organic agriculture and fishing.

Once sufficient acceptance of the proposal had been developed in the communities throughout the region, local planners were assigned to work with the residents. In December 1981, the Village Action Committee was given official status by the Ministry of Agriculture and Forestry, a government department with widespread responsibilities for development in rural and northern areas.

The Suomussalmi development organization has one full-time staff person who represents and works for the various individuals and development groups participating in the project. Local farmers and fishermen, for instance, have formed processing and marketing cooperatives. Schools are sponsoring training courses. And several individuals have become involved in new tourist enterprises, the production of small-scale energy technologies and the establishment of fish farms.

Development Strategy: The Suomussalmi group is a non-profit Community Economic Development association and works closely with the local and regional governments. The approach to development is based on a belief that the long term economic base of the region rests primarily in the renew-

able resource sector, and that new jobs and businesses making more effective use of these resources can be created. Community participation in planning, training programs and support for local entrepreneurs is the cornerstone of the program. The association's staff person and local planners provide village groups and individuals with technical assistance for community plans, business plans and organization development. Community self-reliance, cooperativeness, and individual enterprise are important operating principles.

Although the project is barely five years old, noticeable changes are evident. The success of the organic agriculture cooperative has attracted people back to the area. Several fish and fur farms have been established and local fishermen are now supplying fur farmers with their requirements for animal food. Training and the establishment of a retail outlet has revitalized the production of crafts; and family-oriented tourism programs are attracting visitors from all over Finland and Sweden.

Some Strengths and Limitations: The project has been initiated and developed by local residents. It is based on resources with which residents are familiar. The project is comprehensive — thus, success is not dependent on development in a single industry. Human resource development is a priority. The government has endorsed the project and provides technical and financial assistance.

In terms of limitations, there are no financial resources for direct investment in the Suomussalmi project. Significant areas of land are controlled by absentee owners who are unwilling to sell for redevelopment purposes. Most ventures involve extensive research and development work.

Resources: An operating principle of the Suomussalmi project is self-reliance and residents are helped to develop mechanisms for sharing equipment, and cooperatively purchasing and marketing goods. As a result, many initiatives make wide use of local equipment and skills. The project also makes extensive use of existing government grants and loans; it has not attempted to create a new source of funding for the program. Arrangements for technical assistance using existing staff have been made with the regional government and the University of Oulu.

Co Chomuinn, Scotland

Project Type: Community Cooperatives and Enterprises.

Location: Isolated northern regions and islands of Scotland (Orkney, Shetland, Western Isles).

Background: A total of 22 community cooperatives have been established in small isolated settlements. Each individual cooperative is a member of the larger coordinating body, the Association of Community Enterprises in the Highlands and Islands. The formation of community cooperatives and enterprises was part of a larger regional development initiative to redevelop the local economies of these small northern communities.

In 1972, the Highlands and Islands Development Board — a crown corporation — was formed in an attempt to resolve the increasing problems of high unemployment and shrinking population, and to maximize the benefits to local enterprise of any off-shore oil development. Particular attention was given to the renewable resource sector and to traditional occupations which produce goods in demand (for example, peat moss as an alternative fuel source, hand-crafted wool products, and specialty fish products).

Development Strategy: The community cooperatives are intended to make the most effective use of limited human and financial resources in communities where conventional private sector-based strategies have not worked. The focus of the work as a whole is local enterprise development. The Association of Community Enterprises in the Highlands and Islands is a non-profit corporation controlled by the participating community cooperatives and community businesses. The Association acts as a coordinating group and assists individual groups to share resources and, when possible, to enter into joint ventures.

The community cooperatives, like the community enterprises are owned by community residents who have purchased shares. Each community conducts its own research and establishes the goals and objectives for its organization. Current ventures are largely in the renewable resource sector where the northern communities have a comparative advantage, or in community services which would not otherwise be available. Example ventures include the supply of building materials, knitwear production, courier services, salmon hatching/farming and restaurant operation.

Some Strengths and Limitations: Community cooperatives enable local residents to share resources and collaborate on selective projects without interfering with traditional family-based activities (e.g. fishing). Cooperative purchasing and marketing allow individual producers to purchase and sell goods on a competitive basis, despite long distances and limited transportation services.

The community cooperatives operate in small isolated communities where local financial resources are scarce. The Highlands and Islands Development Board, the most important resource agency, has reduced its support for community cooperatives during a period when many organizations are just getting established.

Resources: In the past, technical assistance was provided by the Highlands and Islands Development Board but, today, comes from several sources including the Association.

Each community cooperative raises a portion of its own financial needs and the amount is matched by the Highlands and Islands Development Board. The Development Board also makes Management and Establishment grants available to assist with the development of individual enterprises.

Sources of Additional Information

Publications

Berger, T., *Village Journey: The Report of the Alaska Native Review Commission*. New York: Hill and Wang, 1985.

Iglauer, Edith, *Inuit Journey*. Vancouver: Douglas and McIntyre, 1979.

Case Study Contacts

Inuit Broadcasting Corporation — Inuit Communication Systems Limited, 251 Laurier Avenue West, Ottawa, Ontario, K1P 5J6. (613) 235-1892.

Mackenzie Delta Regional Development Corporation, Box 1509, Inuvik, NWT, X0E 0T0. 979-3160.

Whitehorse Transit Commission, 102-3211 3rd Avenue, Whitehorse, Yukon, Y1A 1G8. 668-2831.

Yukon Indian Arts and Crafts Cooperative, 4230 4th Avenue, Whitehorse, Yukon, Y1A 1K1. 668-5955.

Further information on northern Community Economic Development projects in Finland and Scotland is available from Wismer, Pell and Associates Limited, Box 1204, Guelph, Ontario, N1H 6N6 (519) 836-9885.

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